

# Global Tax Alert

News from Americas Tax Center

## Colombia and Switzerland sign mutual agreement for Colombian tax residents to request refund of Swiss withholding tax on dividends and interest

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On 1 March 2019, Colombia and Switzerland signed an agreement under Article 25 (Mutual Agreement Procedure) of their tax treaty, which provides the procedure for Colombian tax residents to request a refund or a partial exemption at source of Swiss withholding tax on dividends and interest.

Under the procedure, Colombian tax residents must:

1. Complete Swiss Form 60 for a refund or Form 823B for a partial exemption at source for a substantial participation held in a Colombian company
2. Submit the Swiss form to the Colombian Tax Authority, which will: (i) issue a tax residence certificate for the Colombian tax resident according to the Colombian domestic rules (including the year in which the person is a tax resident in Colombia); and then (ii) staple the Colombian tax residence certificate to the relevant Swiss form
3. Submit the relevant Swiss form, with the Colombian tax residence certificate (not a copy), to the Swiss Federal Tax Administration in Bern

This procedure went into effect on 1 March 2019, and applies to all pending and future claims. If a past claim for benefits under the tax treaty was denied because a tax residence certification was not provided directly on the Swiss form, the Colombian tax resident will have to file a new request using the correct Swiss form and following the new procedure. In this case, the claim will be treated as if it was duly filed on the date of the first submission of the Swiss form for purposes of the Swiss statute of limitations.

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